

ASSINIBOINE COMMUNITY COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2000

ASSINIBOINE COMMUNITY COLLEGE

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To the Members of the Board
Assiniboine Community College

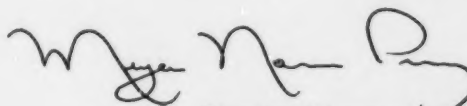
AUDITORS' REPORT

We have audited the statement of financial position as at June 30, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2000 and the results of its operations and the changes in net assets for the year then ended in accordance with generally accepted accounting principles.

September 10, 2000



Chartered Accountants

**ASSINIBOINE COMMUNITY COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2000
(in thousand \$)**

ASSETS	2000	1999
CURRENT		
Cash and short term investments (note 3)	2,322	1,694
Accounts receivable (note 4)	503	600
Due from Province of Manitoba (note 5)	511	511
Inventories (note 6)	224	231
Prepays	176	615
	<u>3,735</u>	<u>3,651</u>
NON-CURRENT		
Due from Province of Manitoba (note 5)	<u>1,979</u>	<u>1,979</u>
CAPITAL ASSETS (note 7)		
Land, buildings and equipment	3,510	2,907
Library holdings	959	959
	<u>4,469</u>	<u>3,866</u>
	<u>10,184</u>	<u>9,496</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (note 8)	2,117	2,160
Deferred revenue (note 9)	467	876
	<u>2,584</u>	<u>3,036</u>
NON-CURRENT		
Accrued severance liability	<u>1,184</u>	<u>1,245</u>
DEFERRED CONTRIBUTIONS		
Deferred contributions related to capital assets (note 10)	<u>2,085</u>	<u>1,842</u>
NET ASSETS		
Net assets invested in capital assets	3,736	2,629
Net assets internally restricted (note 11)	1,525	600
Unrestricted net assets	(930)	144
	<u>4,331</u>	<u>3,373</u>
	<u>10,184</u>	<u>9,496</u>

**ASSINIBOINE COMMUNITY COLLEGE
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2000
(in thousand \$)**

	2000	1999
REVENUES		
Academic training fees	3,485	2,865
Grants	12,667	11,354
Market driven training	1,403	1,694
Continuing education	811	889
Ancillary services (bookstore)	941	744
Other revenue	386	260
Amortization of deferred contributions	607	606
	20,300	18,412
EXPENDITURES		
Academic	11,480	10,201
Administration	3,139	3,080
Program support	684	665
Plant	1,200	1,043
Management information services	858	802
Library	253	240
Ancillary services	811	583
Amortization of capital assets	917	970
	19,342	17,584
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENDITURES	958	828

ASSINIBOINE COMMUNITY COLLEGE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2000
 (in thousand \$)

	INVESTED IN CAPITAL ASSETS	INTERNALLY RESTRICTED	UNRESTRICTED	2000 TOTAL	1999 TOTAL
Balance - beginning of year (as previously reported)	2,629	600	144	3,373	3,634
Change in accounting policy	-	-	-	-	(1,089)
Balance - beginning of year (as restated)	2,629	600	144	3,373	2,545
Excess (deficiency) of revenue over expenditures	(310)	-	1,268	958	828
Change in internally restricted net assets	-	925	(925)	-	-
Investment in capital assets	1,417	-	(1,417)	-	-
Balance - end of year	3,736	1,525	(930)	4,331	3,373

**ASSINIBOINE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2000
(in thousand \$)**

	2000	1999
Cash from operating activities		
Excess of revenues over expenditures	958	828
Amortization of capital assets	917	970
Amortization of deferred capital contributions	(607)	(606)
Change in non-cash working capital items	30	745
Net cash generated through operating activities	1,298	1,937
Financing and investing activities		
Purchase of capital assets	(1,417)	(886)
Contributions received for capital purposes	747	598
Net cash used in financing and investing activities	(670)	(288)
Net increase in cash and short term investments	628	1,649
Cash and short term investments, beginning of year	1,694	45
Cash and short term investments, end of year	2,322	1,694

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

1. OPERATIONS

Assiniboine Community College operates under the authority of The Colleges Act, Chapter C150.1 of the Continuing Consolidation of the Statutes of Manitoba and is a registered charity under the *Income Tax Act*.

In accordance with the activities or objectives specified by donors and other sources outside the College, and in keeping with their mandate to operate the College, the Board of Governors may approve transfers between funds to achieve the financial objectives of the College. Effective June 1998, the Assiniboine Community College Foundation was created to administer the collection and disbursement of endowment funds and undertake fundraising events.

2. SIGNIFICANT ACCOUNTING POLICIES

GENERAL

These financial statements have been prepared on a going concern basis in accordance with generally accepted accounting principles for non-profit organizations and recommendations set forth by the Canadian Association of University Business Officers. Significant accounting policies are as follows:

INVESTMENTS

Investments are recorded at the lower of cost or market value.

INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight-line method at 20% per annum. No amortization is taken in the year of acquisition. Contributed capital assets are recorded at the fair value at the date of contribution.

A base library was established as at April 1, 1993. Library holdings are accounted for using the "base stock" method with current library acquisitions not capitalized because annual library acquisitions net of annual library dispositions are not significant.

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. The College evaluates all leases at the inception of the lease agreement to determine if it should be classified as a capital or operating lease. Where a capital lease is identified, the amount of the payment made each year is capitalized and amortized using the straight-line method over the lesser of five years or the remaining lease term. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

REVENUE RECOGNITION

The College uses the deferral method of accounting for contributions. Restricted contributions are deferred and matched with related expenses as incurred.

DEFERRED REVENUE

Revenue received in the current year, but not spent until the following fiscal year, is deferred and matched with the related expenditures.

DONATIONS

Donations are reported when received. Donations of capital assets are reported at fair market value.

FINANCIAL INSTRUMENTS

The College's financial instruments include accounts receivable and payable with short and long-term maturities. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest rate and credit risks arising from these instruments. Accounts receivable are not concentrated to any one or group of students or organizations. Likewise, trade payables are subject to normal credit terms and are not concentrated to any one or group of suppliers. Amounts relating to severance and vacation liabilities are not subject to interest, penalties or set terms of repayment.

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

3. CASH AND SHORT TERM INVESTMENTS

Cash and short-term investments are summarized as follows:

	2000	1999
Cash	351	220
Term deposits - Department of Finance	<u>1,971</u>	<u>1,474</u>
	<u>2,322</u>	<u>1,694</u>

4. ACCOUNTS RECEIVABLE

	2000	1999
Accounts receivable are summarized as follows:		
Accounts receivable - tuition and contract training	479	567
Goods and Services Tax rebate	28	32
Accountable advances and computer loans	<u>1</u>	<u>13</u>
	508	612
Less: allowance for doubtful accounts	<u>(5)</u>	<u>(12)</u>
	<u>503</u>	<u>600</u>

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

5. DUE FROM PROVINCE OF MANITOBA

The amounts due from the Province of Manitoba are summarized as follows:

	2000	1999
Current		
Property taxes	331	331
Accommodation cost recovery system	<u>180</u>	<u>180</u>
	<u>511</u>	<u>511</u>
Non-current		
Vacation pay	875	875
Severance pay	<u>1,104</u>	<u>1,104</u>
	<u>1,979</u>	<u>1,979</u>
	<u><u>2,490</u></u>	<u><u>2,490</u></u>

6. INVENTORIES

	2000	1999
Books and supplies	<u>224</u>	<u>231</u>

7. CAPITAL ASSETS

	2000	1999
The following is a continuity of capital assets:		
Net book value, beginning of year	2,907	2,944
Add: Purchases	1,417	886
Donated assets	<u>103</u>	<u>47</u>
Net additions for the year	<u>1,520</u>	<u>933</u>
Less: current year amortization	<u>(917)</u>	<u>(970)</u>
Net book value, end of year	<u><u>3,510</u></u>	<u><u>2,907</u></u>
Library holdings, at estimated value	<u>959</u>	<u>959</u>

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED JUNE 30, 2000** (in thousand \$)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2000	1999
Payables are summarized as follows:		
Trade payables	995	789
Less: supplier overpayments and textbook returns	<u>(160)</u>	<u>(97)</u>
Net trade payables	835	692
Employee benefits and accrued wages	63	386
Accrued vacation pay	<u>1,219</u>	<u>1,082</u>
	<u><u>2,117</u></u>	<u><u>2,160</u></u>

9. DEFERRED REVENUE

	2000	1999
Deferred revenue is summarized as follows:		
Tuition and commitment fees	207	183
Contract training fees	220	443
Classroom rentals, parking and other deferrals	40	18
Grant - Management Information System	<u>-</u>	<u>232</u>
	<u><u>467</u></u>	<u><u>876</u></u>

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED JUNE 30, 2000** (in thousand \$)

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the College's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

	2000	1999
The following is a continuity of deferred contributions:		
Balance, beginning of year	1,842	1,803
Add: Capital contributions during the year:		
Government grant	598	598
New initiatives	149	
Contributed net assets	<u>103</u>	<u>47</u>
Net additions for the year	<u>850</u>	<u>645</u>
Less: current year amortization	<u>(607)</u>	<u>(606)</u>
Net book value, end of year	<u><u>2,085</u></u>	<u><u>1,842</u></u>

11. NET ASSETS INTERNALLY RESTRICTED

The following surplus appropriations were approved by the Board of Governors during the year:

	Total Allocation	2000	1999
General technology reserve	450	200	250
General operating reserve	400	200	200
General capital reserve	<u>675</u>	<u>525</u>	<u>150</u>
	<u><u>1,525</u></u>	<u><u>925</u></u>	<u><u>600</u></u>

12. COMMITMENTS

The College has entered into various leases for classroom space, office equipment and a maintenance agreement for the Colleague computer system. The following represents the future payments:

2000/2001	293
2001/2002	166

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

13. PENSION COSTS AND OBLIGATIONS

The College's employees are eligible for membership in the Civil Service Superannuation Plan operated by the Province of Manitoba. Although this is a defined benefit pension plan, any experienced gains or losses determined by actuarial valuations are the responsibility of the Province of Manitoba. Accordingly, no disclosure has been made in the financial statements relating the effects of participation in the pension plan by the College and its employees.

14. ECONOMIC DEPENDENCE

The College presently receives annual funding of approximately \$12,661 (\$11,978 in 1999) from the Province of Manitoba to finance operations and capital acquisitions. Without such funding, future viability of the College is not assured.

15. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date.

Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue that may affect the entity, including those related to customers, suppliers or other third parties, have been fully resolved.

16. INCOME TAXES

The College is exempt from income taxes.

ASSINIBOINE COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2000 (in thousand \$)

17. GRANTS

Grants received from the Council on Post-Secondary Education, Province of Manitoba, are reflected in the financial statements as follows (in actual \$):

Approved 1999/00 operating and capital funding	12,661,805
Approved 1999/00 Manitoba Health funding	660,540
 Add: Reversal of prior year deferral	 242,762
 Less: deferral of operating funding	 (54,737)
Allocation of funds to Market Driven Training	(103,700)
deferred contributions relating to capital assets	<u>(740,200)</u>
	<u>12,666,470</u>
 Represented by:	
Base funding	12,660,595
Market-driven training	<u>5,875</u>
	<u>12,666,470</u>

18. RELATED PARTY TRANSACTIONS

During the year the College provided a grant of \$14,000 to Assiniboine Community College Foundation and Alumni Inc. and received gifts in kind totaling \$102,500 (in actual \$).

19. COMPARATIVE FIGURES

The prior year's figures have been restated to conform to the current year's presentation.

ASSINIBOINE COMMUNITY COLLEGE
SCHEDULE OF REVENUES
YEAR ENDED JUNE 30, 2000
(in thousand \$)

Schedule 1

	Budget (unaudited)	2000	1999
Academic Training Fees			
Day program tuition fees	2,713	2,564	2,069
Apprenticeship training fees	923	921	796
	<u>3,636</u>	<u>3,485</u>	<u>2,865</u>
Grants			
Provincial (note 17)	12,742	12,661	11,197
Industry partnerships	5	6	157
	<u>12,747</u>	<u>12,667</u>	<u>11,354</u>
Market Driven / Contract Training (schedule 2)	<u>1,500</u>	<u>1,403</u>	<u>1,694</u>
Continuing Education (schedule 3)	<u>825</u>	<u>811</u>	<u>889</u>
Ancillary Services (schedule 4)	<u>757</u>	<u>941</u>	<u>744</u>
Sundry and Other Revenue			
Interest	45	164	88
Other	172	222	172
	<u>217</u>	<u>386</u>	<u>260</u>
Amortization of deferred capital contributions	<u>607</u>	<u>607</u>	<u>606</u>
Total Revenue	<u>20,289</u>	<u>20,300</u>	<u>18,412</u>

ASSINIBOINE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2000
(in thousand \$)

Schedule 1
Continued

	Budget (unaudited)	2000	1999
Academic			
Salaries			
Instructional	7,084	6,979	5,925
Administrative	1,732	1,659	1,550
Program Support	163	128	225
Fringe Benefits	724	678	581
Operating	2,331	2,036	1,920
	<u>12,034</u>	<u>11,480</u>	<u>10,201</u>
Administration			
Salaries	1,714	1,598	1,523
Fringe Benefits	250	242	329
Operating	1,306	1,299	1,228
	<u>3,270</u>	<u>3,139</u>	<u>3,080</u>
Program Support			
Salaries	529	532	494
Fringe Benefits	43	43	39
Operating	145	109	132
	<u>717</u>	<u>684</u>	<u>665</u>
Plant			
Salaries	232	250	242
Fringe Benefits	19	32	21
Operating	913	918	780
	<u>1,164</u>	<u>1,200</u>	<u>1,043</u>
Management Information Services			
Salaries	524	559	510
Fringe Benefits	43	46	41
Operating	280	253	251
	<u>847</u>	<u>858</u>	<u>802</u>
Library			
Accrued severance liability	174	169	165
Fringe Benefits	14	14	13
Operating	72	70	62
	<u>260</u>	<u>253</u>	<u>240</u>
Ancillary Services (schedule 4)	<u>617</u>	<u>811</u>	<u>583</u>
Amortization of Capital Assets	<u>946</u>	<u>917</u>	<u>970</u>
Total Expenditures	<u>19,855</u>	<u>19,342</u>	<u>17,584</u>

ASSINIBOINE COMMUNITY COLLEGE
MARKET DRIVEN TRAINING
SCHEDULE OF REVENUE AND OPERATING EXPENDITURES
YEAR ENDED JUNE 30, 2000
(in thousand \$)

Schedule 2

	Budget (unaudited)	2000	1999
Revenue			
Indirect training contracts	230	133	48
Contract training	811	925	1,127
Grants	459	326	476
Other revenue	0	19	43
Total Revenue	1,500	1,403	1,694
Expenditures			
Direct Expenditures			
Instructional salaries	587	577	564
Fringe benefits	44	51	45
Operating	431	364	484
	1,062	992	1,093
Indirect Expenditures			
Administrative salaries	256	208	278
Fringe benefits	21	17	23
Other operating	10	4	8
	287	229	309
Total Expenditures	1,349	1,221	1,402
Net Profit	151	182	292

**ASSINIBOINE COMMUNITY COLLEGE
CONTINUING EDUCATION
SCHEDULE OF REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2000
(In thousand \$)**

Schedule 3

	Budget (unaudited)	2000	1999
Revenue			
Evening school - on campus	627	401	266
Regional centres	46	410	623
Other revenue	152	0	0
Total Revenue	825	811	889
Expenditures			
Direct Expenditures			
Instructional salaries	399	333	335
Fringe benefits	26	25	24
Operating	149	168	224
	574	526	583
Indirect Expenditures			
Administrative salaries	215	193	195
Program support	123	110	111
Fringe benefits	34	25	25
Operating	79	104	119
	451	432	450
Total Expenditures	1,025	958	1,033
Net Loss	(200)	(147)	(144)

**ASSINIBOINE COMMUNITY COLLEGE
ANCILLARY SERVICES
SCHEDULE OF REVENUE AND OPERATING EXPENDITURES
YEAR ENDED JUNE 30, 2000
(in thousand \$)**

Schedule 4

	Budget (unaudited)	2000	1999
Revenue	<u>757</u>	<u>941</u>	<u>744</u>
Expenditures			
Cost of goods sold	560	695	523
Salaries	41	56	43
Operating	16	60	17
	<u>617</u>	<u>811</u>	<u>583</u>
Net Profit	<u>140</u>	<u>130</u>	<u>161</u>

ASSINIBOINE COMMUNITY COLLEGE

Schedule 5

BOARD MEMBERS COMPENSATION JUNE 30, 2000 (in actual \$)

Bob Mazer	3,000
Tim Ryan	1,800
Lillian McKay	1,800
Bob Andrew	1,800
Sheila Dearsley	2,400
Joan Gray	1,800
Jack Ziprick	1,800
Norma Borotsik	1,800
K. Bridgeman-Magnowski	1,800
Ken Rowan	1,800
Lisa Huston	<u>1,800</u>
	<u>23,100</u>